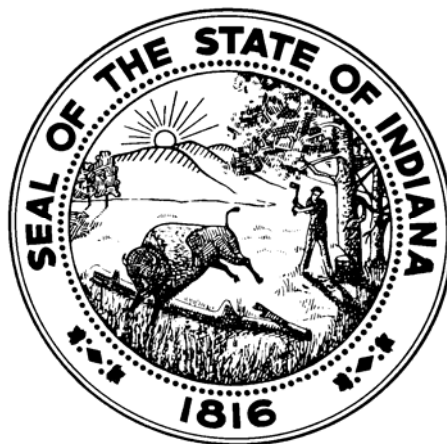


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765**

REVIEW REPORT
OF

EVANSVILLE STATE HOSPITAL
FAMILY AND SOCIAL SERVICES ADMINISTRATION
DIVISION OF MENTAL HEALTH AND ADDICTION
STATE OF INDIANA

July 1, 2001 to June 30, 2006



FILED
10/27/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Agency Officials.....	2
Independent Accountant's Report	3
Review Comments:	
Accounting Records.....	4
Daily Deposits	4
Exit Conference	5

AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Ralph H. Nichols Robert M. Spear	07-01-01 to 12-28-03 12-29-03 to 06-30-07
Secretary of Family and Social Services Administration	John Hamilton Mary DePrez Cheryl Sullivan Venita Moore Mitch Roob	07-01-01 to 09-30-03 10-01-03 to 10-19-03 10-20-03 to 12-17-04 12-18-04 to 01-09-05 01-10-05 to 01-09-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EVANSVILLE STATE HOSPITAL

We have reviewed the receipts, disbursements, and assets of the Evansville State Hospital for the period of July 1, 2001 to June 30, 2006. The Evansville State Hospital's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Evansville State Hospital are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

October 5, 2006

EVANSVILLE STATE HOSPITAL REVIEW COMMENTS

ACCOUNTING RECORDS

The Evansville State Hospital's accounting records for the Patient Trust Fund do not reconcile with the bank balance. During the audit period, we found that while a reconciliation is being prepared monthly, the bank balance exceeds the control and subsidiary balances and the difference has not been identified.

Each agency is responsible for maintaining an effective and accurate accounting system for subsidiary and supplementary records. At all times, the agency's manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank or Auditor's balance should agree. If reconciled bank or Auditor's balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

DAILY DEPOSITS

The Evansville State Hospital did not consistently deposit receipts for the Recreation Fund within the following business day.

Indiana Code 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

EVANSVILLE STATE HOSPITAL
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2006, with Robert M. Spear, Superintendent; Cathe Fulcher, Assistant Superintendent; Janet Kelsey, Business Manager; and Melinda L. Spangler, Accountant. The officials concurred with our findings.